

STATEMENT of
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before the
HOUSE COMMITTEE ON GOVERNMENT REFORM
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Good morning, Mr. Chairman and Members of the Committee. Thank you for this opportunity to provide the Department of Education's views on progress and problems in the District of Columbia Public Schools (DCPS) system. I want to begin by saying how much I appreciate Superintendent Janey's willingness to take on the tough job of turning around DC Public Schools and his efforts to get the system moving in the right direction academically. DCPS faces many challenges, and I believe he deserves full support from the Department of Education and the Congress to help meet those challenges.

ED PROVIDES FINANCIAL SUPPORT AND TECHNICAL ASSISTANCE

Federal education programs provided about \$120 million in formula and discretionary grants to the District of Columbia in fiscal year 2005, or about 12 percent of the school system's \$1 billion annual budget. Moreover, federal financial support to DCPS has grown substantially in recent years, with appropriations for No Child Left Behind programs rising by more than \$39 million, or 82 percent, between fiscal year 2001 and fiscal year 2005, while funding for special education programs under the IDEA jumped by \$6.5 million, or 74 percent, over the same period.

The 2007 President's Budget also provides continued support for key DC education programs through a separate \$76 million request in the DC appropriations bill. This includes \$15 million for the DC Opportunity Scholarship Program, which helps give students from low-income families in the District the same educational opportunities available to students from wealthier families, as well as \$26 million to support school improvement and the expansion of charter schools in the District. The President's request for DC also provides \$35 million for the DC Resident Tuition Assistance Grant program, which allows District residents to attend public colleges nationwide at in-State tuition rates.

In addition to financial support, the Department has worked with DCPS to improve student achievement, primarily through effective implementation of the No Child Left Behind Act (NCLB). For example, we have provided technical assistance to help DCPS comply with NCLB requirements regarding standards and assessments for all students in grades 3-8 and grade 10. This week, DCPS is administering assessments under a new DC Comprehensive Assessment System and, in May, we will conduct a peer review process to determine how well these assessments align with NCLB requirements.

We also have worked closely with DCPS on the Reading First program, which is now in its second year of implementation at the classroom level at 26 schools, including 4 charter schools and 3 private schools. These schools have adopted scientifically based instructional programs and materials and used extensive professional development and technical assistance to improve reading instruction in grades K-3. The early results are promising, with the percentage

of third grade students reading at the proficient level in participating schools rising from 38 percent to 52 percent after the first year of implementation.

STUDENT ACHIEVEMENT LAGS BEHIND OTHER URBAN DISTRICTS

Despite this combination of strong federal financial support and recent progress in implementing key federal education programs, DCPS has a very long way to go when it comes to what really matters: the academic achievement of its 75,000 students. This was the message of the 2005 Trial Urban District Assessment conducted as part of the National Assessment of Educational Progress.

In reading, at both grades 4 and 8, the District finished last among the 11 large cities included in the assessment. Most disturbingly, at the 4th grade level, fully two-thirds of District students scored at Below Basic in reading, compared with an average of 51 percent for other large central cities and 38 percent for the Nation as a whole. At the 8th grade level, scores improved somewhat, but 55 percent of District students continued to read at Below Basic, compared to the 40 percent average for large central cities and a national average of 29 percent.

In mathematics, the story was no better, with 55 percent of District 4th-graders and an alarming 69 percent of its 8th-graders scoring Below Basic. The District finished last among the 11 participating cities at the 4th-grade level and tied for last at the 8th-grade level.

The Trial Urban District Assessment data are important for the Committee's effort to understand the context of DCPS's relative underperformance. The 11 participating districts are

DCPS's peers, facing similar challenges but often producing very different results in response to those challenges. For example, the percentage of tested DCPS students who receive free- or reduced-price lunch is almost precisely the 76 percent average of the 11 participating districts. It is something other than poverty, then, that explains why just 23 percent of Houston's 4th-graders—78 percent of whom qualify for free- or reduced-price lunch—score Below Basic in math, while 55 percent of the District's 4th-graders are Below Basic. Or to look at the other end of the scale, why the percentage of Houston 4th-graders achieving at the Proficient level in math is almost three times that of DCPS 4th-graders (23 percent vs. 8 percent).

A LEGACY OF POOR MANAGEMENT

The Department has considerable insight into longstanding problems at DCPS that we believe have significant impact in the classroom. For several years, our audit reviews and program monitoring visits have documented fundamental grant management, internal control, and procurement issues that make it very difficult to ensure either accountability for the proper expenditure of taxpayer funds or the appropriate delivery of services to students.

DCPS programs affected by these issues include Title I Grants to Local Educational Agencies—the foundation of federal support for elementary and secondary education and the linchpin of the President's No Child Left Behind accountability reforms—and programs authorized by the Individuals with Disabilities Education Act, which have been on “high-risk” status at the Department for the past five years.

For example, one major problem area concerns the dual status of DCPS as both a local educational agency (LEA) and a State educational agency (SEA). As an SEA, DCPS is responsible for such critical activities as planning and evaluation for federal grants, allocating and overseeing federal education program funds (including subgrants to charter schools), and monitoring and enforcing the use of those funds in compliance with statutory and regulatory requirements. The DC SEA has consistently and repeatedly fallen short in the performance of these responsibilities over a period of several years.

The DC SEA also continues to suffer from weaknesses in the fundamental requirements of grant administration, including controls and records on equipment purchased with federal funds and the retention of records to appropriately document grant expenditures. For example, the SEA needs to ensure that the teachers and administrators who are paid with federal funds actually worked on those federal grant activities.

Last summer, in response both to these findings and to a lack of corrective measures by DCPS, the Department began discussions with Superintendent Janey aimed at developing a course of action to ensure resolution of outstanding issues. However, after completing a monitoring visit early this year that found serious and continuing concerns with the administration of federally funded education programs by DCPS, we informed Superintendent Janey last week that we have designated DCPS a “high-risk” grantee for all Department programs.

The “high-risk” designation imposes on DCPS a number of specific conditions that must be met to ensure continued receipt of federal program funds. These conditions include prompt access to records; prompt resolution of all current and future audit findings; and full compliance with program requirements, including all reporting requirements.

These conditions are not just a matter of “bean-counting.” As Deputy Secretary Ray Simon stated in his letter to Superintendent Janey on the “high-risk” decision, “the Department is deeply concerned about the impact of these problems on the effective use of federal funds to support teaching and learning in District of Columbia schools... DCPS cannot expect to improve the performance of its schools unless DCPS puts effective accountability systems in place.”

Our sincere belief and hope is that the accountability improvements we are requiring will help ensure that DCPS fully achieves its academic goals. In this context, the “high-risk” designation is best seen as an opportunity to help DCPS move forward by focusing its efforts on key areas of longstanding concern for the Department and the Congress.

NEXT STEPS

There are reasons to be optimistic that DCPS is at least on the right path, even if thus far it has taken only a few tentative steps down that path. As I mentioned earlier, this week it is implementing a new assessment system aimed at full compliance with NCLB. The DC School Board has begun tackling the issue of school closing and consolidation; a task that, if accomplished, would greatly facilitate improved accountability. And we are seeing a new

openness to creative approaches to improving DC schools, such as the proposal to link Scott Montgomery Elementary School with a new charter middle school operated by the KIPP organization.

We also are encouraged by DCPS's willingness to look outside for options to improve its fiscal performance, such as its current plan to transfer key DCPS systems—such as procurement and human resource management—to the city government. However, we ask DCPS to approach this task carefully, keeping in mind that changing major systems is complex and time-consuming, and that the city procurement system has its own weaknesses.

The Department is ready to support DCPS in meetings its challenges. We have considerable experience working with other high-risk grantees and have insight into best practices employed by States across the nation. DCPS has asked for our help and we intend to work with them as partners as we are in other States. The first step in this process is to review with DCPS the findings from the independent audits and our program monitoring visits, and to prepare a strategic corrective action plan by July 31. The Department is committed to providing DCPS with timely and comprehensive information on the additional steps it needs to take to comply with all applicable federal education laws and fiscal requirements, and to providing any technical assistance requested by DCPS. We are confident that, by working together, we will be able to make long-needed reforms and generate long-awaited improvements in achievement for students in the Nation's capital.

Thank you, and I will be happy to answer any questions.